

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-11 ISO-00 CU-02 STR-04 TRSE-00

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R 041531Z MAR 76

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 6248

INFO AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY DUBLIN

AMEMBASSY ROME

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, BEXP, EEC, BE

SUBJECT: EC REGULATION 1798/75: CUSTOMS DUTIES ON EDUCATIONAL,
SCIENTIFIC AND CULTURAL MATERIALS

REF: STATE 35889

1. EMBASSY HAS MADE DEMARCHE TO MFA REQUESTED PARA 5 REFTEL.
AFTER SOME STUDY OF MATTER, MINISTRY HAS RESPONDED AS FOLLOWS:

A. REGARDING FLORENCE AGREEMENT, EC PLANNING TO ASK AT
PARIS UNESCO MEETING LATER THIS MONTH THAT ALL REFERENCES TO
QUOTE IMPORTING COUNTRY UNQUOTE BE CHANGED TO ENCOMPASS EC
AS A WHOLE. ACCORDING TO BELGIANS, EC COMMISSION WILL ARGUE
THAT TREATY OF ROME PROHIBITS MEMBER STATES FROM INDIVIDUAL
COMMITMENT TO AGREEMENTS WHICH CONCERN CXT APPLICATION.

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B. MINISTRY ALSO MAINTAINS THAT EC COMMISSION'S IMPLEMENTING REGULATION 3195/75 (SEE USEC A-89) PROVIDES REASONABLY FLEXIBLE FRAMEWORK FOR ENFORCEMENT OF NEW POLICY. BUYERS CAN ASK FOR CUSTOMS-FREE CLEARANCE ON HYPOTHETICAL BASIS, EVEN BEFORE PLACING ORDER. IF THIS IS NOT PRACTICAL, BUYER CAN IMPORT ITEMS EITHER PAYING DUTY AGAINST REFUND IF EC NON-AVAILABILITY SUBSTANTIATED, OR DUTY-FREE UNDER COMMITMENT TO PAY TARIFF LATER IF PRODUCT DOES IN FACT TURN OUT TO BE PRODUCED IN AN EC COUNTRY. IN ADDITION, INFORMAL AGREEMENT EXISTS BETWEEN EC STATES THAT IN CASE OF ALL RELATIVELY INEXPENSIVE SCIENTIFIC EQUIPMENT IMPORTS (I.E. UP TO ABOUT US \$30,000 EACH) COUNTRY'S CUSTOMS AUTHORITIES WILL ACCEPT ROUTINELY CLAIMS OF NON-AVAILABILITY UPON SIMILAR BUYER COMMITMENT TO PAY DUTY EVENTUALLY IF EC COMMISSION FINDS OTHERWISE. SUCH EC DETERMINATIONS WILL PROBABLY BE ASSEMBLED AND ISSUED EVERY SIX MONTHS OR SO, ACCORDING TO MFA SOURCES.

C. AS HAS BEEN OBSERVED IN SEVERAL OTHER EC CAPITALS, BELGIANS BELIEVE THAT IF USG CONTINUES ACTIVELY OPPOSED TO REGULATION 1798, IT SHOULD FOCUS ITS EFFORTS ON EC TO MODIFY OR OVERTURN IT.

2. OUR INQUIRIES OF TRADE SOURCES IN BELGIUM REVEAL HIGH LEVEL OF UNCERTAINTY ABOUT ACTUAL EFFECTS OF NEW RULES ON U.S. SCIENTIFIC INSTRUMENT MARKET. OF FIVE LARGE IMPORTERS CONTACTED, ALL SEE SOME ADVERSE IMPACT, (SEE OUR 425) BUT ESTIMATES RANGE FROM US \$1 MILLION ANNUALLY AT THE TOP TO US \$40,000 ANNUALLY AT THE BOTTOM. TWO UNIVERSITIES RECENTLY CANCELLED U.S. ORDERS REPORTEDLY BECAUSE OF ADDED PAPERWORK NOW REQUIRED, BUT NO CONCLUSIVE TREND IN BUYER BEHAVIOR YET APPARENT. LOCAL IMPORTERS, WHO GENERALLY SEEM TO HAVE BEEN SURPRISED BY IMPLEMENTATION OF NEW RULES IN JANUARY, WANT SOME TIME TO SEE HOW THEY WORK IN PRACTICE AND WHAT REAL EFFECT THEY MAY HAVE ON TRADITIONAL (AND STUBBORN) PREFERENCES OF SCIENTIST END-USERS.
RENNER

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